



NORTH CAROLINA GENERAL ASSEMBLY

JOINT LEGISLATIVE COMMITTEE ON INFORMATION TECHNOLOGY

DRAFT BILL EXPLANATION: SMARTER GOV/BUSINESS INTELLIGENCE INITIATIVE

February 2, 2012

Purpose. -- **Section 1** of the draft bill states the purpose of the legislation, which is to implement an enterprise-level data integration and analytics initiative across State government. The desired outcome is more effective and efficient government through the development of a coordinated State business intelligence capability. The expected result is the reduction of unnecessary information silos and technological barriers. The purpose section clarifies that the business intelligence initiative is intended to leverage the data from State government systems for enterprise analytics, but not intended to replace transactional systems.

Leadership. -- The scheme for coordination of the State government business intelligence initiative is set forth in **Section 2** of the draft. Considering separation of powers, the State Controller will lead the initiative for the executive branch. The judicial branch (by the Chief Justice) and the legislative branches (by the Legislative Services Commission) may designate the agency or officer to lead the initiative in those branches respectively. However, nothing in the proposed draft legislation would prevent the judicial branch and the legislative branch from designating the State Controller to serve the role. Further, **Section 2** makes the State Controller the principal coordinating officer responsible for the State government business intelligence initiative as authorized in the bill.

Coordination. -- The Government Business Intelligence Competency (GBICC) is established in the Office of State Controller by **Section 3**. The GBICC would serve as an integral component of the State government business intelligence initiative. The work, purpose, and resources of the current data integration effort in the Office of State Controller (OSC) are to be assumed by GBICC. Any other organization changes necessary to maximize the effectiveness and efficiency of GBICC may be made by

the State Controller. The State Controller and GBICC are charged with coordination of the data requirements and usage for business intelligence applications across State government. This coordination must limit impacts on participating agencies as those agencies provide data. Business knowledge expertise will assist in defining business rules so that data can be properly used. More specifically, the bill draft sets out the duties of the GBICC as follows:

- (1) Continue and coordinate ongoing enterprise data integration efforts.
- (2) Identify any technologies supporting data analytics.
- (3) Identify technologies currently used in North Carolina, including standard technologies for foundation components.
- (4) Identify other technologies that could support the State's business intelligence effort, especially those with unique capabilities.
- (5) Compare capabilities and costs across State government.
- (6) Ensure implementation is properly supported across State government.
- (7) Ensure that data integration and sharing is performed in a manner that preserves privacy, as appropriate.

Efficiencies and savings generated by the GBICC —are intended to offset any additional resources agencies may require to support the sharing of data.

Data Sharing Mandatory. — The draft bill, in **Section 4**, grants the State access to all information required to develop and support business intelligence applications. Specifically, the head of each State agency, department, and institution; the head of every political subdivision of the State; the Board of Trustees of The University of North Carolina; the Community Colleges System Office; and, the local boards of education are required to:

- (1) Cooperate fully in the sharing of all data required to develop and effectuate the State government business intelligence initiative.
- (2) Provide the full details of the agency's information technology, operational, and security requirements, and information on all of the agency's information technology activities relevant to State government business intelligence effort.
- (3) Forecast the agency's projected future business intelligence information technology needs and capabilities.
- (4) Identify potential resources for deploying business intelligence in their respective agencies and as part of the enterprise wide effort.

The State Controller is directed to report any failure to provide requested information to the Joint Legislative Committee on Information Technology and to the Chairs of the House of Representatives Appropriations and Senate Base Budget/Appropriations Committees.

Sensitive Data/Security. – **Section 5** of the bill draft attends to privacy and security issues. First, data that is not classified as a public record under G.S. 132-1 is not to be deemed a public record when incorporated into the data resources comprising the State's business intelligence initiative. Each source agency providing data remains the sole custodian of that data as to any request for inspection or copies pursuant to Chapter 132 of the General Statutes. The State Controller and GBICC shall only allow access to data from the source agencies in accordance with rules adopted by the respective source agencies. The bill conforms a provision of the Identity Theft Protection Act to exempt from coverage data integration efforts to implement the State's business intelligence strategy as provided by law or under contract.

Public Records. – **Section 6** of the bill draft notwithstanding the Public Records Act as to information compiled by the State Controller and the GBICC that is related to the business intelligence initiative. Information may be released if the State Controller finds that the release of information is in the best interest of the general public and not in violation of law or contract. Information released to persons engaged in implementing the business intelligence strategy under the act (that is used for purposes other than official State business) is not a public record.

Coordination Requirements/Phases. – The State government business intelligence initiative is divided into phases in **Section 7** of the draft bill.

Phase I -- The State Controller and GBICC shall:

- Inventory existing data analytics projects, both completed and under development.
- Develop a plan of action that does all of the following:
 - Defines the program requirements, objective, and end state of the business intelligence initiative.
 - Prioritizes stages of implementation in a detailed plan and benchmarked timeline.
 - Includes the effective coordination of all of the State's current data integration initiatives.
 - Utilizes a common approach that establishes standards for business intelligence initiative for all agencies and prevents the development of projects that do not meet the established standards.
 - Determines costs associated with the development effort and identifies potential sources of funding.
 - Includes a privacy framework for data integration consisting of adequate access controls and end user security requirements.

Further, the State Controller shall, working through GBICC, determine: (i) if current, ongoing projects support the enterprise level objectives and (ii) if current applications are scalable, or are applicable for multiple agencies, or both.

Phase II -- In the next phase, the State Controller and GBICC shall:

- Identify redundancies, and determine which projects should be discontinued.
- Determine where gaps exist in current or potential capabilities.

Phase III -- By the final phase, the State Controller and GBICC shall:

- ❖ Incorporate or consolidate existing projects, as appropriate.
- ❖ Eliminate redundant projects, software, and licensing, and reprogram funding from redundant projects.
- ❖ Have taken all steps necessary to achieve privacy preserving data integration.

Steering Committee. -- **Section 8** amends Section 6A.20.(b) of S.L. 2011-145, pertaining to the creation of the Data Integration Steering Committee (Committee). The purpose, duties, and resources of the current entity will to be assumed by the GBICC. The Committee, chaired by the State Controller, is created in the Office of the State Controller. The Committee is charged with to providing for the centralization of the State's business intelligence and data integration in order to increase value while decreasing cost and to enhance service provision and efficiency in the best interests of North Carolina. The Committee is composed of following voting members:

- (1) Two members appointed by the Governor, including one person with information technology background and expertise and one person having a background in law enforcement.
- (3) Two members appointed by the President Pro Tempore of the Senate, including one person with a background in government accounting and one having experience in government operations.
- (5) Two members appointed by the Speaker of the House of Representatives, including one person with a background in information technology and one person with a background in business management.

Non-voting, ex officio members include: the State Treasurer, the State Auditor, the Director of the Office of State Budget and Management, and the State Chief Information Officer. Public members of the Committee may not have a current or former business relationship with any vendor with which the State is doing business for its information technology related requirements. Vacancies are filled by the appointing authority.

The GBICC Steering Committee is responsible for:

- (1) Reviewing the agencies' portfolio of data and information assets as well as the tools, services, processes, and strategies by which the State's data assets can be aligned to increase the State's business intelligence.
- (2) Developing policies pertaining to the State's data inventory that will further business intelligence.
- (3) Evaluating the cost versus benefit relationship across agency information technology business processes.
- (4) Considering ways to increase transparency through data sharing strategies such as data services toward the end that data integration will be effective.
- (5) Considering ways to protect the privacy and information of persons in the State affected by data integration.
- (6) Assisting in the selection of project leaders who will accomplish enterprise-wide data integration and business intelligence objectives.

By September 1, 2012, and quarterly thereafter, the State Controller shall make a detailed progress report to the Joint Legislative Committee on Information Technology regarding implementation of the State government business intelligence initiative.

Appropriations. – **Section 9** of the proposed bill draft includes placeholder language pertaining to funding for the 2012-2013 fiscal year. Any needed funds would be appropriated from both the General Fund and the Highway Fund.

Effective Date. – **Section 10** makes the act effective July 1, 2012.

Prepared by:
Phyllis Pickett, Bill Drafting Division
Karlynn O'Shaughnessy, Fiscal Research Division
Peter Capriglione, Information Systems Division